

COUNCIL DOCKET OF \_\_\_\_\_

☐ Supplemental   ☐ Adoption   ☐ Consent   ☐ Unanimous Consent   Rules Committee Consultant Review

R -

O -

Storefront Improvement Program

☒ Reviewed   ☐ Initiated   By Rules   On 1/28/09   Item No. 3

RECOMMENDATION TO:

Refer to City Council with direction to add selection criteria to increase equity between Council districts.

VOTED YEA: Hueso, Faulconer, Gloria, Young, Frye

VOTED NAY:

NOT PRESENT:

CITY CLERK: Please reference the following reports on the City Council Docket:

REPORT TO THE CITY COUNCIL NO.

INDEPENDENT BUDGET ANALYST NO.

COUNCIL COMMITTEE CONSULTANT ANALYSIS NO.

OTHER:

City Planning and Community Investment Department's undated Executive Summary Sheet

COUNCIL COMMITTEE CONSULTANT 

000433

# EXECUTIVE SUMMARY SHEET

CITY OF SAN DIEGO

DATE ISSUED: REPORT NO:  
 ATTENTION: City Council  
 ORIGINATING DEPARTMENT: City Planning & Community Investment  
 SUBJECT: Council Policy 900-17 (Storefront Improvement Program)  
 Revision  
 COUNCIL DISTRICT(S): Citywide  
 CONTACT/PHONE NUMBER: Alissa Gabriel (236-6460)/Scott Kessler (236-6421)

## REQUESTED ACTION:

Revise Policy 900-17 Storefront Improvement Program

STAFF RECOMMENDATION: Approve the requested action.

## EXECUTIVE SUMMARY:

Originated in 1986, the Storefront Improvement Program (SIP) provides a grant to small business or property owners as an incentive to improve their storefronts consistent with design standards for their commercial areas. The SIP has been a successful program in the Office of Small Business (OSB) and was funded initially by Industrial Development Bond proceeds and Community Development Block monies. In 1995, the City Council adopted the Small Business Enhancement Program (SBEP), with a funding appropriation based on the number of small businesses registered with The City of San Diego.

The City Council adopted Council Policy 900-17 (Storefront Improvement Program) to clarify the administration of the program. The policy states that overall program management shall be the responsibility of the Office of Small Business. The Policy also provides that the Small Business Advisory Board (SBAB) shall approve the rebate formulas for each rebate category.

This revision will simplify the application and documentation process for business participants and align the administrative process with current Purchasing & Contracting objectives. The proposed policy revision more clearly defines eligibility criteria and program participant exclusions.

Two new rebate categories are proposed:

- Public Art Rebate – providing additional incentives for participants to work with artists; and
- Multi-Tenant Property Owner Rebate – providing incentives for commercial property owners to participate.

The current Rebate categories of Standard and Historic would remain the same.

On May 28, 2008 the SBAB approved the recommended Council Policy revision and rebate formulas.


FISCAL CONSIDERATIONS: This action incurs no additional costs nor creates additional revenue.

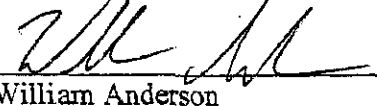
000434

PREVIOUS COUNCIL and/or COMMITTEE ACTION: Council Policy 900-17 was previously adopted by Resolution R-295442 on September 9, 2001.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: This item was discussed at the SBAB meetings held on November 28, 2007 and April 23, 2008

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable): The key stakeholders are small business owners with valid business tax certificates and property owners who lease to three or more street-facing small business tenants.

  
\_\_\_\_\_  
Scott Kessler  
Originating Department

  
\_\_\_\_\_  
William Anderson  
Deputy Chief/Chief Operating Officer

000435

CITY OF SAN DIEGO, CALIFORNIA  
**COUNCIL POLICY**

SUBJECT: STOREFRONT IMPROVEMENT PROGRAM  
POLICY NO.: 900-17  
EFFECTIVE DATE: September 10, 2001

**BACKGROUND:**

~~The SIP originated in 1986, it~~ Originated in 1986, the Storefront Improvement Program (SIP) provides financial incentives to small business or property owners to improve their storefronts consistent with design standards for their commercial areas. The SIP has been a successful program in the Office of Small Business (OSB) and was funded initially by Industrial Development Bond (IDB) proceeds and Community Development Block (CDBG) monies. In 1995, the City Council adopted the Small Business Enhancement Program (SBEP), ~~funded by the business tax certificate fees levied on small businesses with an annual General Fund appropriation equivalent to \$20 per small business registered with the City.~~ SBEP provides a more stable funding source for both hard and soft costs of storefront improvements.

~~The Storefront Improvement Program (SIP) provides a grant to business or property owners as an incentive for them to improve their storefronts consistent with design standards for their commercial areas. It has been a successful program in the Office of Small Business (OSB).~~

**PURPOSE:**

To establish policy guidelines and procedures regarding the SIP application process, selection process, design process, incentive awarding reimbursement process, and fees associated with the administration of the Storefront Improvement Program (SIP).

**PROGRAM POLICY**

**Storefront Improvement Program Mission**

The SIP mission is to generate additional revenues to businesses and the City by stimulating private investment in the city's commercial areas to make the business and surrounding communities more attractive.

**Project Qualifying Criteria**

The City will accept applications only citywide from all small businesses in the City of San Diego and from property owners who lease space to small business. ~~(City of San Diego definition "Small business" means a business that employs 12 or fewer employees) that possess a valid Business Tax Certificate and property owners who lease space to small businesses that possess a valid Business Tax Certificate.~~

The following are excluded from participating in the program:

- Former SIP incentive award recipients (within 5 years of an incentive award);
- National franchises;
- Large office buildings in excess of 80,000 square feet;
- Government owned and occupied buildings;
- Non-profit organizations;
- Residential rental buildings (apartments); and
- Churches and other religious institutions.

#### Standard Incentive

All projects for a single small business may be considered for the standard incentive.

#### Multi-Tenant Property Owner Incentive

A San Diego property owner leasing to three or more street-facing small business tenants may be considered for the property owner incentive.

#### Historic Incentive

To qualify for the historic incentive, the subject property must be eligible for designation by the Historic Resources Board as a historic structure, or be eligible to be classified as a contributing structure to a historic district, or be included on a locally defined historic building inventory, and that any improvements be consistent with the historical character of the property. The historic incentive will be available once per property with preference given to the property owner.

#### Public Art Incentive

To qualify for the public art incentive, the property owner must show evidence of the engagement of an Artist as defined by San Diego Municipal Code Chapter 2, Article 6, Division 7: Commission for Arts and Culture. An Artist must be engaged to participate in designing, or specifying, or designing and fabricating elements related to the storefront improvement. Property owners intending to apply for the Public Art Incentive are encouraged to share information about potential Artists with the SIP manager early in the development of the storefront improvement project to learn whether the Artists meet the requirements. The SIP manager may consult with the Commission for Arts and Culture to determine compliance.

### **Project Implementation**

Program Management: Overall program management shall be the responsibility of the Office of Small Business.

Procedures shall include:

- a. Marketing and Outreach: The Office of Small Business In partnership with other agencies, such as Centre City Development Corporation, the South Eastern Economic Development Corporation, Business Improvement Districts, and Micro Districts, the OSB will actively engage in marketing and outreach efforts in order to generate participation from the business sector.

- b. Application process: On behalf of the OSB, the Office of Small Business SIP manager will receive applications year round. The program SIP manager will determine if the project falls in the standard or historic preservation which incentive category the project qualifies for. Project management must be provided for and described in each application.

- e. ~~To qualify for the historic rebate, the subject property must be eligible for designation by the Historic Resources Board as a historic structure, or be eligible to be classified as a contributing structure to a historic district, or be included on a locally defined historic building inventory, and that any improvements be consistent with the historical character of the property.~~

All others will be considered standard projects.

- dc. Selection process: The Office of Small Business OSB/SIP Manager will select projects that will provide the greatest public benefit to a community as determined by the program manager. Factors considered by the Program Manager will include The OSB, however, reserves the right to prioritize projects and refuse applicants. To select and prioritize the SIP projects, the SIP Manager may consider the following factors:

- (1) Complements City's public improvement strategies
- (2) Coincides with City revitalization activities
- (3) Community need/demand for change
- (4) Creative value of the project
- (5) Current condition of the building/facade
- (6) Neighborhood Code compliance issues
- (7) Conformity to community design guidelines
- (8) Feasibility of implementing applicant's goals within the specified budget and timeframe

Selected Upon selection, applicants will receive an be sent orientation packets, certificate of including a form to verify ownership form, and a notification of the application fee of fees. Program Manager will review applicant's goals and budget to determine if applicant is willing and able to complete the project within program guidelines.

Program exclusions include: national franchises; large office buildings in excess of 80,000 square feet; government owned and occupied buildings; churches and other religious institutions.

- ed. Fees: Applicant will be required to pay an application deposit refundable fee to ensure the applicants commitment to the completion of the project. The application deposit se fees will be made payable to the City Treasurer. The application deposit is refundable upon City's acceptance of completed project.

- fe. Conceptual Design Process: Once an application is selected, the applicant will be notified. The Project Manager will review design criteria with applicant, assign an architect, and

discuss eligible exterior improvements (paint, awnings, signage, landscaping, parking, windows).

- gf. Allowable Incentive Rebate: The Incentive Rebate formula(s) will be determined by the Small Business Advisory Board.

~~The historic rebate incentive will increase the appropriate maximum rebate amount. The historic rebate incentive will be available once per property with preference given to the property owner.~~

- hg. Contract Documentation Process: ~~Once applicant has submitted required paperwork to the program. The SIP manager will work with the applicant to assemble all the required documents and forms. a contract will be issued for signature.~~ Business tenants must obtain written approval from the property owner stating that the owner does not object to the business tenant completing the proposed improvements to the property. Authorization from the property owner for a business tenant to utilize the Historic rebate incentive will be requested concurrently with the owner's approval of the proposed improvements. ~~Work on eligible improvements may begin once the applicant signs and submits the agreement.~~

- h. Business Tax Certificate(s): All participants and the contractors, subcontractors, and materials providers they hire must hold valid City of San Diego Business Tax Certificates.

- i. Reimbursement Award Process: Once the project is complete,

1. Applicant must submit:
  - a. Evidence of payment - "Paid in full" receipt(s) and cancelled check copy(s) (front and back check copies or bank statement) related to the approved bid(s)
  - b. Federal ~~†~~Tax ID #Number or Social Security ~~#~~Number
  - c. Two 8" x 10" color photos of the finished building project
2. Copies of any required all permits that were pulled must be given to the program manager with the reimbursement-eligible expenses documentation package.
3. If all the obligations under the ~~Agreement~~ program procedures have been met, the City shall issue the rebate incentive award within thirty days after ~~of receipt of a~~ eligible expenses documentation.

~~Program Management: Overall program management shall be the responsibility of the Office of Small Business.~~

#### REFERENCES:

Resolution R-286636

City Manager Report CMR-95-239

Small Business Advisory Report dated April 21, 2000

000439

Small Business Advisory Report dated May 22, 2000

**HISTORY:**

Adopted by Resolution R-295442 09/10/2001



CITY OF SAN DIEGO, CALIFORNIA  
**COUNCIL POLICY**

SUBJECT: STOREFRONT IMPROVEMENT PROGRAM  
POLICY NO.: 900-17  
EFFECTIVE DATE: (DRAFT)

**BACKGROUND:**

Originated in 1986, the Storefront Improvement Program (SIP) provides financial incentives to small business or property owners to improve their storefronts consistent with design standards for their commercial areas. The SIP has been a successful program in the Office of Small Business (OSB) and was funded initially by Industrial Development Bond (IDB) proceeds and Community Development Block (CDBG) monies. In 1995, the City Council adopted the Small Business Enhancement Program (SBEP), with an annual General Fund appropriation equivalent to \$20 per small business registered with the City. SBEP provides a more stable funding source for both hard and soft costs of storefront improvements.

**PURPOSE:**

To establish policy guidelines and procedures regarding the SIP application process, selection process, design process, incentive awarding, and fees associated with the administration of the program.

**PROGRAM POLICY**

**Storefront Improvement Program Mission**

The SIP mission is to generate additional revenues to businesses and the City by stimulating private investment in the city's commercial areas to make the business and surrounding communities more attractive.

**Project Qualifying Criteria**

The City will accept applications only from small businesses in the City of San Diego and from property owners who lease space to small businesses. "Small business" means a business that employs 12 or fewer employees that possess a valid Business Tax Certificate.

The following are excluded from participating in the program:

- Former SIP incentive recipients (until 5 years after an incentive award);
- National franchises;
- Large office buildings in excess of 80,000 square feet;
- Government owned and occupied buildings;
- Non-profit organizations;
- Residential rental buildings (apartments) and
- Churches and other religious institutions.

**Standard Incentive**

All projects for a single small business may be considered for the standard incentive.

*Multi-Tenant Property Owner Incentive*

A San Diego property owner leasing to three or more street-facing small business tenants may be considered for the property owner incentive.

*Historic Incentive*

To qualify for the historic incentive, the subject property must be eligible for designation by the Historic Resources Board as a historic structure, or be eligible to be classified as a contributing structure to a historic district, or be included on a locally defined historic building inventory, and that any improvements be consistent with the historical character of the property. The historic incentive will be available once per property with preference given to the property owner

*Public Art Incentive*

To qualify for the public art incentive, the property owner must show evidence of the engagement of an Artist as defined by San Diego Municipal Code Chapter 2, Article 6, Division 7: Commission for Arts and Culture. An Artist must be engaged to participate in designing, or specifying, or designing and fabricating elements related to the storefront improvement. Property owners intending to apply for the Public Art Incentive are encouraged to share information about potential Artists with the SIP manager early in the development of the storefront improvement project to learn whether the Artists meet the requirements. The SIP manager may consult with the Commission for Arts and Culture to determine compliance.

**Project Implementation**

**Program Management:** Overall program management shall be the responsibility of the Office of Small Business.

Procedures shall include:

- a. **Marketing and Outreach:** In partnership with other agencies such as Centre City Development Corporation, the South Eastern Economic Development Corporation, Business Improvement Districts, and Micro Districts, the OSB will actively engage in marketing and outreach efforts in order to generate participation from the business sector.
- b. **Application process:** On behalf of the OSB, the SIP manager will receive applications year round. The SIP manager will determine which incentive category the project qualifies for.
- c. **Selection process:** The OSB/SIP Manager will select projects that will provide the greatest public benefit to a community as determined by the program manager. The OSB, however, reserves the right to prioritize projects and refuse applicants. To select and prioritize the SIP projects, the SIP Manager may consider the following factors:

- (1) Complements City's public improvement strategies
- (2) Coincides with City revitalization activities
- (3) Community need/demand for change
- (4) Creative value of the project
- (5) Current condition of the building/facade
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- (7) Conformity to community design guidelines
- (8) Feasibility of implementing applicant's goals within the specified budget and timeframe

Upon selection, applicants will receive an orientation packet including a form to verify ownership and a notification of the application fee.

- d. Fees: Applicant will be required to pay an application deposit to ensure the applicants commitment to the completion of the project. The application deposit will be made payable to the City Treasurer. The application deposit is refundable upon City's acceptance of completed project.
- e. Conceptual Design Process: Once an application is selected, the applicant will be notified. The Project Manager will review design criteria with applicant, assign an architect, and discuss eligible exterior improvements (e.g. paint, awnings, signage, landscaping, parking, windows).
- f. Allowable Incentive: The Incentive formula(s) will be determined by the Small Business Advisory Board.
- g. Documentation Process: The SIP manager will work with the applicant to assemble all the required documents and forms. Business tenants must obtain written approval from the property owner stating that the owner does not object to the business tenant completing the proposed improvements to the property. Authorization from the property owner for a business tenant to utilize the Historic Incentive will be requested concurrently with the owner's approval of the proposed improvements.
- h. Business Tax Certificate(s): All participants and the contractors, subcontractors, and material providers they hire must hold valid City of San Diego Business Tax Certificates.
- i. Award Process: Once the project is complete,
  1. Applicant must submit:
    - a. Evidence of payment - "Paid in full" receipt(s) and canceled check copy(s) (front and back check copies or bank statement) related to the approved bid(s)
    - b. Federal Tax Identification number or Social Security number

000444

- c. Two 8" x 10" color photos of the finished building
2. Copies of all permits that were pulled must be given to the program manager with the eligible expenses documentation.
3. If all the obligations under program procedures have been met, the City shall issue the incentive award within thirty days after receipt of eligible expenses documentation.

**REFERENCES:**

Resolution R-286636

City Manager Report CMR-95-239

Small Business Advisory Report dated April 21, 2000

Small Business Advisory Report dated May 22, 2000

**HISTORY:**

Adopted by Resolution R-295442 09/10/2001

DRAFT

RECEIVED  
09 FEB 19 PM 2:20  
CITY CLERKS OFFICE  
SAN DIEGO, CA

000445

# REQUEST FOR COUNCIL ACTION

CITY OF SAN DIEGO

 1. CERTIFICATE NUMBER 101  
 (FOR AUDITOR'S USE) 03/03

 TO: CITY COUNCIL  
 2. FROM (ORIGINATING DEPARTMENT): CITY PLANNING & COMMUNITY INVESTMENT  
 3. DATE: May 30, 2008

## 4. SUBJECT:

COUNCIL POLICY 900-17 (STOREFRONT IMPROVEMENT PROGRAM) REVISION

## 5. PRIMARY CONTACT (NAME, PHONE &amp; MAIL STA.)

Alissa Gabriel x66460 MS56-D

## 6. SECONDARY CONTACT (NAME, PHONE &amp; MAIL STA.)

Beth Murray x66405 MS56-D

7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED ☐

## 8. COMPLETE FOR ACCOUNTING PURPOSES

FUND						9. ADDITIONAL INFORMATION / ESTIMATED COST:
DEPT.						No Fiscal Impact.
ORGANIZATION						
OBJECT ACCOUNT						
JOB ORDER						
C.I.P. NUMBER						
AMOUNT						

## 10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIGINATING DEPARTMENT	SCOTT KESSLER	6-2-08	8	DEPUTY CHIEF	WILLIAM ANDERSON	6/20/08
2	DEPARTMENT DIRECTOR	WILLIAM ANDERSON	6-6-08	9	COO	JAY GOLDSTONE	6-24/08
3	ENVIRONMENTAL REVIEW	KENNETH REASEY	6-10-08	10	CITY ATTORNEY	KIMBERLY K. KAELEN	7/14/08
4	LIAISON OFFICE	ED PLANK	6/13/08	11	ORIGINATING DEPARTMENT	ALISSA GABRIEL	7/16/08
5	FINANCIAL MANAGEMENT	AUTHORIZED SIGNER	6/15/08		DOCKET COORD:	COUNCIL LIAISON	7/24/08
6	AUDITORS	HEATHER JENNINGS	6/18/08		COUNCIL PRESIDENT		
7							

 COUNCIL PRESIDENT ☒ SPOB ☒ CONSENT ☐ ADOPTION  
 REFER TO: COUNCIL DATE: 3-3-09

## 11. PREPARATION OF:

☒ RESOLUTION(S)☐ ORDINANCE(S)☐ AGREEMENT(S)☐ DEED(S)

1. Revise Council Policy 900-17.

## 11A. STAFF RECOMMENDATIONS:

Adopt the Resolutions and Revise Council Policy 900-17

## 12. SPECIAL CONDITIONS:

COUNCIL DISTRICT(S): 1, 2, 3, 4, 5, 6, 7, 8.

COMMUNITY AREA(S): Citywide

ENVIRONMENTAL IMPACT: This activity is not a "project" and is therefore not subject to CEQA pursuant to State Guidelines Section 15060 (c) (3).

HOUSING IMPACT: None.

OTHER ISSUES: None.

**EXECUTIVE SUMMARY SHEET**  
CITY OF SAN DIEGO

DATE ISSUED: \_\_\_\_\_ REPORT NO: \_\_\_\_\_  
ATTENTION: City Council  
ORIGINATING DEPARTMENT: City Planning & Community Investment  
SUBJECT: Council Policy 900-17 (Storefront Improvement Program)  
Revision  
COUNCIL DISTRICT(S): Citywide  
CONTACT/PHONE NUMBER: Alissa Gabriel (236-6460)/Beth Murray (236-6421)

**REQUESTED ACTION:**

Revise Policy 900-17 Storefront Improvement Program

**STAFF RECOMMENDATION:** Approve the requested action.

**EXECUTIVE SUMMARY:**

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Two new incentive categories are proposed:

- Public Art Incentive – providing additional incentives for participants to work with artists; and
- Multi-Tenant Property Owner Incentive – providing incentives for commercial property owners to participate.

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**FISCAL CONSIDERATIONS:** This action incurs no additional costs nor creates additional revenue.

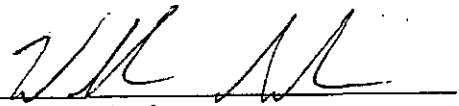
**PREVIOUS COUNCIL and/or COMMITTEE ACTION:** Council Policy 900-17 was previously adopted by Resolution R-295442 on September 9, 2001. On January 28, 2009 the Rules Committee reviewed and unanimously approved the draft policy revision (5-0).

000448

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: This item was discussed at the SBAB meetings held on November 28, 2007 and April 23, 2008. On May 28, 2008 the SBAB approved the recommended Council Policy revision and incentive formulas.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable): The key stakeholders are small business owners with valid business tax certificates and property owners who lease to three or more street-facing small business tenants.

  
Beth Murray  
Deputy Director Economic Development

  
William Anderson  
Director of City Planning and Community  
Investment

RESOLUTION NUMBER R-\_\_\_\_\_

DATE OF FINAL PASSAGE \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF  
SAN DIEGO AMENDING COUNCIL POLICY NUMBER  
900-17 PERTAINING TO THE STOREFRONT  
IMPROVEMENT PROGRAM.

BE IT RESOLVED, by the Council of the City of San Diego, that Council Policy No.  
900-17, titled "Storefront Improvement Program" is amended as set forth in the Council Policy  
filed in the office of the City Clerk as Document No. RR-\_\_\_\_\_.

BE IT FURTHER RESOLVED, that the City Clerk is instructed to add the aforesaid to  
the Council Policy Manual.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By



Kimberly K. Kaelin  
Deputy City Attorney

KKK:nda  
07/14/08  
Or.Dept:CP&CI  
R-2009-80  
MMS#6482



I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of \_\_\_\_\_.

ELIZABETH S. MALAND  
City Clerk

By \_\_\_\_\_  
Deputy City Clerk

Approved: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor